

Submission by Bord na Móna PowerGen

on

Determination of Uplift Parameters  
Consultation Paper

SEM-14-022

6<sup>th</sup> May 2014

Elaine Gallagher  
Commission for Energy Regulation

BY EMAIL

**Subject: Determination of Uplift Parameters Consultation Paper (SEM-14-022)**

Dear Elaine,

Bord na Móra welcomes the opportunity to make a submission in response to the consultation on the Determination of Uplift Parameters Consultation Paper (SEM-14-022).

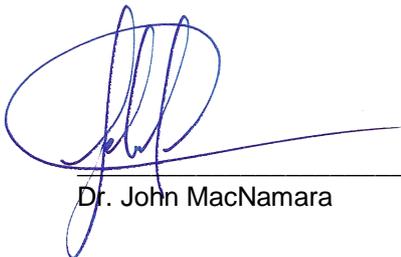
Bord na Móra recognises the obligations on the Regulatory Authorities (RAs) to protect the interests of the final consumer, whilst simultaneously ensuring sufficient generation capacity and promoting competition in the wholesale electricity market.

It is also however important to highlight that both the market and the power system are in a state of flux, i.e. the ongoing I-SEM redesign process and the increasing deployment of out of market intermittent generation. In light of this, proposed changes to the Uplift Parameters must be sufficiently assessed and based on a robust and thorough analysis to avoid unintended negative impacts on consumers and participants.

Bord na Móra, in response to SEM-13-053, did call for '*more detailed studies*' without expressly enumerating the scope of such analysis. Noting the initial analysis contained in this consultation, which is welcomed, the manifest decoupling of SMP and Shadow Price is worrisome, particularly as this begins to erode the principle of cost reflectiveness in the SEM. It is apparent that the decision to modify the Uplift Parameters would benefit from additional studies which examine not just selected months retrospectively (a full year would be preferable) but prospective market outturns where the future impact of increase intermittent penetration is also modelled.

In conclusion, Bord na Móra would respectfully suggest that any decision to change the Uplift Parameters is postponed until this extended analysis is carried out, it may also prove expeditious to poll market participants on the scope of this analysis prior to commencing the assessment.

Kind regards, for and on behalf of Bord na Móra,



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Dr. John MacNamara